



MANAGEWARE

**A Practical Guide to
Managing for Results**

INTRODUCTION *About Managing for Results and* **MANAGEWARE**

Government is big business. Louisiana's state budget tops \$13 billion annually. When faced with a price tag this high, Louisiana's decision makers--as well as its taxpayers--must ask: "What results are we getting for our money?" With that question in mind, the management processes described in *MANAGEWARE* are based on the philosophy of "**Managing for Results**"—that is, decision making for, planning for, budgeting for, building for, and measuring results.

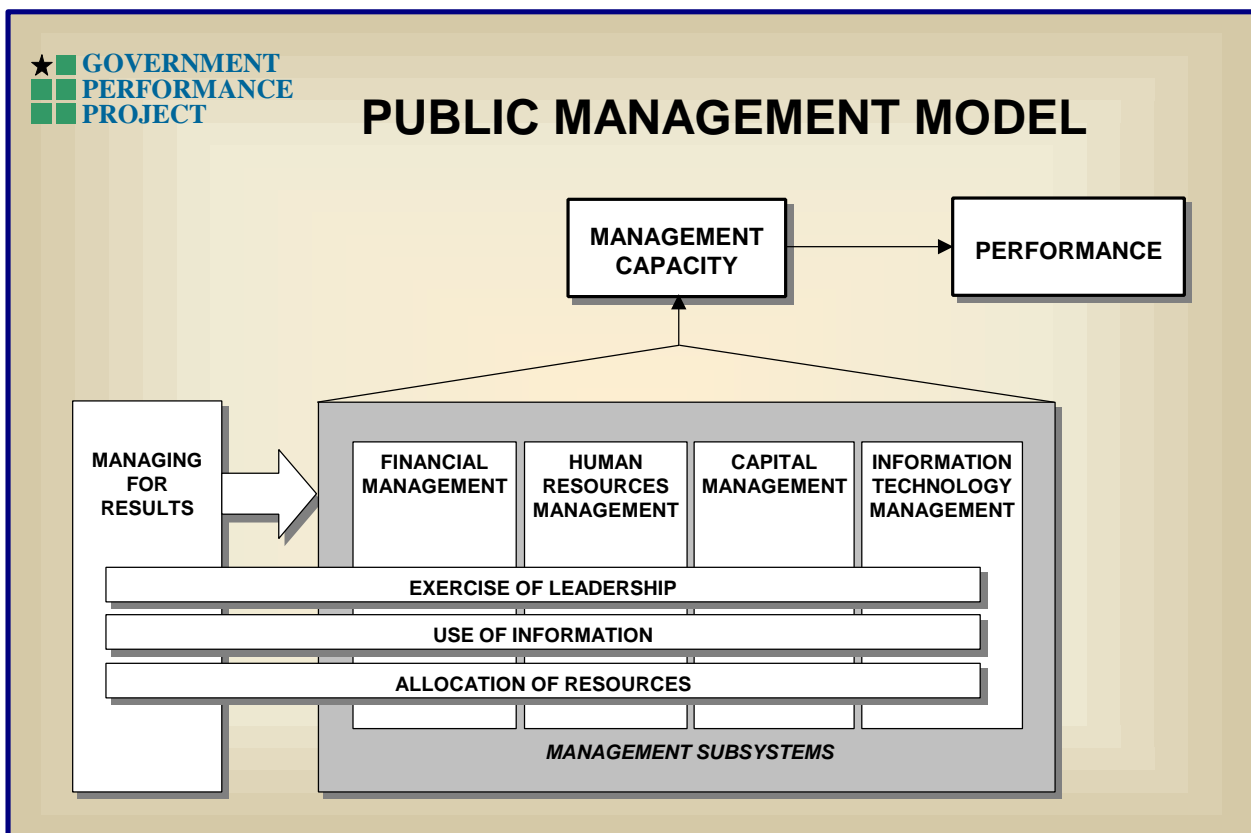
To manage for results, state government must anticipate the future, plan ahead, and make effective long-range policy decisions. State government must move from a reactive stance to one of stimulating change for the better. State executives and managers must be able to make well-informed decisions that will increase efficiency and effectiveness of services and satisfy the unrelenting need to do a better job with what we have. They must chart clear directions and target measurable objectives for achievement. They must measure results, and they must allocate human, capital, and financial resources to achieve results.

This is, of course, more easily said than done. However, since 1989 Louisiana has been working toward the implementation of "Managing for Results." This effort began with the move from line item budgeting to program budgeting. As part of that transition, Louisiana's Division of Administration used in-house expertise to develop practical processes geared toward Managing for Results. However, application of these processes for management and budget decision making remained inconsistent until the support and commitment of both executive and legislative leadership was secured. Now, under the aegis of legislation mandating performance-based budgeting (Act 1465 of the 1997 Regular Legislative Session), Louisiana is turning process design into reality. Further, the state is pioneering the use of performance measurements through an innovative, paperless performance progress reporting and tracking system that makes performance information available to anyone interested in Louisiana state government.

Managing for Results and Excellence in Government Management

Many factors go into a determination of management excellence in government. The most comprehensive effort to evaluate management at the federal, state, and local government levels ever conducted in the United States is the Government Performance Project (GPP). The GPP is an activity of the Alan K. Campbell Public Affairs Institute, at the Maxwell School of Citizenship and Public Affairs, Syracuse University, in partnership with *Governing* Magazine, and funded by a four-year grant from The Pew Charitable Trusts. In its 1998 survey of state governments, the GPP addressed five management systems (financial management, capital management, human resources management, information technology management, and managing for results) and also considered leadership, integration, and momentum. The results of this survey were published in [*Governing*](#) magazine in 1999.

As a result of the GPP, a new model for good public management has emerged. This model, which is shown below, illustrates the influence of managing for results on other management systems—and how those management systems combine to address management capacity, which enables performance.



Louisiana's Management Processes

MANAGEWARE describes Louisiana's management processes for:

- ☑ Policy Development
- ☑ Strategic Planning
- ☑ Performance-based Operational Planning and Budgeting
- ☑ Capital Outlay Planning and Budgeting
- ☑ Performance Accountability.



The underlying premise of Louisiana's management processes is that results are what matter. Therefore, these processes are centered on four basic questions:

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?

Authority

Authority and requirements for Louisiana's management processes are established in:

- Constitution of the State of Louisiana
- Title 39 of the Revised Statutes of Louisiana (including the provisions of Act 1465 of 1997, as amended by Act 1169 of 1999)
- Act 1036 of 1999
- R. S. 24:532 (Act 1100 of 1995)
- R. S. 49:190 *et seq.*, as revised by Act 712 of 1995
- R. S. 36:8 (Act 160 of 1982, as revised by Act 911 of 1995)
- Policy and Procedure Memorandum Number 52, Revised.

The Management Cycle

If you sometimes think that managers in Louisiana state government seem to be running around in circles, you are right! Louisiana's management cycle is circular—rounding from planning to budgeting to implementation to evaluation (or accountability) and back to planning, and so on. All processes are linked; each builds upon the one that precedes and contributes to the one that follows. No matter where you enter the circle, you will eventually move through all the processes.

Further, at any given point in the management cycle, a state manager is working in three time phases. He or she is evaluating past performance, running a current operation, and looking ahead to the future. So a state manager is (at least symbolically) going in a circle and juggling several years worth of information at the same time. The following graphic illustrates the management cycle, noting major processes and products, in Louisiana state government.

LOUISIANA'S MANAGEMENT PROCESSES

Louisiana Management Network

The Louisiana Management Network is composed of department/agency coordinators for strategic planning, operational planning and budgeting, and performance accountability. This network was established to facilitate implementation and continued improvement of management processes and to encourage communication among executive branch agencies and between executive and legislative branches regarding implementation of Managing for Results. Network members are listed on the [Office of Planning and Budget website](#).



It is critical that coordinators be designated by departments or agencies and that these designations be kept current. These coordinators receive updates from the OPB regarding processes and deadlines throughout the year. Forms for designation of coordinators are available on the OPB website.

Further, the successful implementation of strategic planning, operational planning and budgeting, and performance accountability in a department or agency is largely reliant upon the skill and tenacity of that organization's management coordinators. They are the ones who establish internal coordination and "quality control" and shepherd the processes through organizational levels. Many organizations have found that the designation of one person as coordinator for all of these processes is especially effective. Questions regarding the designation, role, or responsibilities of process coordinators should be directed to the OPB Planning Section.

About **MANAGEWARE**

This is the second edition of **MANAGEWARE: A Practical Guide to Managing for Results**. The first edition was published in 1996. However, the Office of Planning and Budget issued the first version of Louisiana's **MANAGEWARE** series, **MANAGEWARE: Strategic Management Manual for the State of Louisiana**, in November 1991. The basic processes created in 1989 for implementation of program budgeting in Louisiana remain fundamentally the same in all versions of **MANAGEWARE**. However, the application of these processes has been refined and some additional requirements have been initiated since the passage of legislation mandating performance-based budgeting. Moreover, we have attempted to improve communication of these processes and their underlying concepts with each version. This latest edition was published for several reasons:

- We ran out of copies of the earlier edition.
- We learned a lot during the implementation of **MANAGEWARE** management processes. That is, we listened to the ideas and complaints of the people who have to apply the processes in the real world. When we could not change something that troubled users, we tried to explain it better.
- We needed to update **MANAGEWARE** to incorporate the provisions of Act 1465 of 1997 (the Louisiana Government Performance and Accountability Act), which mandates performance-based budgeting in Louisiana.

HELP

HOW TO: Use **MANAGEWARE**

MANAGEWARE contains a chapter on each of the major state management processes identified above. Each chapter provides basic information (definitions, procedures, and guidelines) as well as sources of help and references to additional books or materials. Step-by-step instructions are provided for most management processes and tools. Look for "HELP" keys throughout **MANAGEWARE**. In addition, a glossary is provided.

In some chapters, sample forms and formats are provided. However, neither operating budget nor capital outlay budget forms and instructions are included. There are two reasons for this exclusion: (1) Both operating budget and capital outlay budget forms and instructions are readily available from the Division of Administration (in both hard copy and electronic versions; and (2) **MANAGEWARE** is long enough already.

Some material appears in more than one chapter. This duplication is intentional; it reinforces major management principles and minimizes referrals to other parts of the manual. Louisiana's management processes are integrated; as a result, many of the same terms and methods recur frequently. For example, performance indicators are mentioned throughout **MANAGEWARE**,

and a section on them appears in three chapters (STRATEGIC PLANNING, OPERATIONAL PLANNING AND BUDGET, and ACCOUNTABILITY). Such information is repeated so that each chapter can stand on its own. This allows users to enter the circular management cycle at any given point and still have easy access to the information and help they need.



Managers are busy people. We know that some managers are going to read only those parts of **MANAGEWARE** that have an immediate application for them. For example, as the time for preparation of operating budget requests draws near, program managers may look at the chapter on operational planning and budgeting. That chapter includes basic information on performance indicators (an integral part of performance accountability), which must be included in budget requests. So, for those managers, it is a good thing that certain basic information is available in several places.

Some managers, however, will read every word of **MANAGEWARE**. To those managers, we extend our thanks and regret any anxiety caused by repetition of material.

Terminology

Throughout **MANAGEWARE**, definitions for terms used are provided in the text (usually in bold letters). Also, a separate glossary is included in **MANAGEWARE**.

The management processes described in **MANAGEWARE** may be used for various organizational levels within state government. Perhaps the most difficult "terminology task" faced by **MANAGEWARE** developers was the clear identification of these governmental levels or units. This seemingly simple chore was complicated by the fact that different terms are used throughout state statutes, organizational tables, and budgeting and accounting policies and procedures.

For expedience, the generic term "organization" is used throughout policy development and strategic planning chapters to indicate a state entity, whether it is a department, office, institution, program, or other unit. This is done because these processes apply in the same general way to all levels of an organization.

Because many other terms are used throughout the state constitution and statutes to describe units or entities of state government, **MANAGEWARE** also uses these terms, as necessary or appropriate. For example, **MANAGEWARE** sometimes uses the term "agency." Officially, an "agency" is any state office, department, board, commission, institution, division, officer or other person, or functional group, that is authorized to exercise, or that does exercise, any functions of the government of the state in the executive branch.

MANAGEWARE employs other terms for budget and accountability procedures. In the chapter on operational planning and budgeting, the term "budget unit" is used to designate a spending agency of the state (one that prepares and submits a budget request document for one or more programs). "Budget unit" is also the level at which appropriations are made. A budget unit may be a department or an agency (office, institution, or board or commission) within that department. However, a "budget unit" always has a unique "agency number." "Department" in organizational terms is one of the twenty departments authorized by the state constitution. In budgeting terms,

"department" generally equates to a budget schedule. Sometimes, the budget schedule will be an organizational department; for example, Schedule 11 Department of Natural Resources is the Department of Natural Resources. However, a budget schedule also may contain several organizational "departments;" for example, Schedule 01 Executive Department is not one of the twenty departments of state government but is instead made up of various "agencies" that fall under the Office of the Governor. In the chapter on accountability, *MANAGEWARE* employs the term "statutory entity" (any department, agency, or office of state government) for sunset review because that is the term used in statute.

PLANNING**POINTER**

Before you attempt to apply the management processes presented in *MANAGEWARE*, take a moment to figure out where your organization falls within this range of terms. Although the management processes described in *MANAGEWARE* generally apply to all state executive department organizations, there are varying responsibilities for different organizational or budgetary levels.

***MANAGEWARE* Training and Technical Assistance**

A broad range of training and technical assistance is available to state departments and managers. The Office of Planning and Budget (OPB) provides training in *MANAGEWARE* processes. Notification of training classes and workshops is provided through the Louisiana Management Network. Technical assistance related to the application of the management processes discussed in *MANAGEWARE* is available from the OPB and other Division of Administration sections. At the end of each *MANAGEWARE* chapter there is a section marked by a large "HELP" key and the title "Assistance." These sections provide information on how to obtain training or technical assistance.

Other Management Training

Public sector management training is available through the Comprehensive Public Training Program (CPTP) in the Division of Administration. This includes a Certified Public Manager Program. Also available is a workshop course on quality management, "Achieving Excellence in Louisiana State Government." Questions concerning these should be directed to the Comprehensive Public Training Program (telephone: [225] 342-4739; fax: [225] 219-4191; website: <http://www.doa.state.la.us/cptp/cptp.htm>).

Accounting Policies, Procedures, and System

MANAGEWARE does not cover the policies and procedures used for financial accounting and reporting. Although this area plays a role in budget development and budget control, an explanation of these policies and procedures is beyond the scope of this publication. For information on statewide accounting policy and procedures, contact the Office of Statewide Reporting and Accounting Policy in the Division of Administration (telephone: [225] 342-0708; fax: [225] 342-1053; website: <http://www.doa.state.la.us/osrap/osrap.htm>).

The Advantage Financial System (AFS) is a complete financial management system specifically designed to support the functions performed by governments. In addition to the standard accounting functions of accounts payable and general ledger, the AFS also performs the specialized functions of encumbrance control, fund accounting, and grants and project management. Using data provided by its users, the AFS maintains a financial database from which a variety of detail and summary level reports may be produced. It is only one of the major systems that make up Louisiana's Integrated Statewide Information Systems (ISIS). For information on AFS or ISIS, contact the Office of Statewide Information System in the Division of Administration (telephone: [225] 342-0900; fax: [225] 421-0902; website: <http://www.doa.state.la.us/osis/osis.htm>).

Administrative and Human Resource Management Policies and Procedures

MANAGEWARE does not attempt to address the myriad state administrative procedures governing such activities as purchasing, property control, travel, and payroll. Nor does **MANAGEWARE** address human resource management, contract review, or accounting policy.

The *Louisiana Administrative Code* is a state-certified publication that provides a set of permanent rules that have been formally adopted or amended with legislative authority and through legal rulemaking procedure. The *Louisiana Register* is a monthly publication that provides access to the certified regulations and legal notices issued by the executive branch of Louisiana state government. Proposed and final rules published in the *Louisiana Register* are codified for *Louisiana Administrative Code* research capabilities. The *Louisiana Administrative Code* and the *Louisiana Register* are available through the Office of the State Register in the Division of Administration (telephone: [225] 342-5015 or website: <http://www.doa.state.la.us/osr/osr.htm>.)

Most human resource management matters are governed by state civil service policies and regulations. This includes job testing, classification and pay, performance planning and review, and appeals. Information on human resource management (including the new performance planning and review process) is available from the State Department of Civil Service (telephone: [225] 342-8274; fax: [225] 342-6074; website: <http://www.dscs.state.la.us/>).

Statewide financial reporting and accounting policies are within the purview of the Office of Statewide Reporting and Accounting Policy in the Division of Administration. Among other functions, this office oversees preparation of the state's comprehensive annual financial report. For information related to financial reporting and the state's accounting policies and procedures, contact this office (telephone: [225] 342-0708; fax: [225] 342-1053; website: <http://www.state.la.us/osrap/osrap.htm>).

Questions about **MANAGEWARE**

Questions about the preparation, publication, or availability of this manual should be directed to:

Carolyn S. Lane, Project Coordinator
Planning Section, Office of Planning and Budget
Division of Administration
Post Office Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-7410
Fax: (225) 342-0906
E-Mail: clane@doa.state.la.us

Reproduction of **MANAGEWARE**

MANAGEWARE may be reproduced, in part or in whole, by governmental or nonprofit organizations for use by those organizations in their own management efforts. We do request, however, that a citation be made to reference the Louisiana Office of Planning and Budget as the source of any **MANAGEWARE** materials reproduced. All other organizations and individuals must contact the Office of Planning and Budget to discuss permission to reproduce or use the publication. **Any reproduction of *MANAGEWARE*, in part or in whole, for profit is forbidden.**